



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



MAY 8, 2001

Mississippi River Locks Slowly Reopening. Although weekend thunderstorms, covering much of the region from Texas to North Dakota, helped to keep much of the Mississippi River and smaller surrounding rivers above flood stage, the U.S. Army Corps of Engineers has allowed locks downstream of Lock and Dam (L/D) 2 (near Hastings, MN) to just downstream of L/D 8 (south of La Crosse, WI) to reopen this week. However, no-wake zones would likely be in effect at various points, and the Corps warned of hazards such as strong currents and submerged driftwood. The Coast Guard decided to open the river to recreational and commercial river traffic based on the lock and dam reopenings and improving river conditions. On May 7, the National Weather Service indicated that weekend rains were keeping much of the Missouri River in the area from St. Joseph to Waverly, MO, at or above flood stage. The water level, however, was expected to drop below flood level at various river points throughout the week. Following a second crest near Dubuque, IA, (near L/D 11) Monday morning, the water level on the Mississippi River was also expected to continue to fall as far as Guttenberg, IA, (L/D 10), as the crest moves downstream. Further downstream, a new crest was expected to reach Quincy, IL, (L/D 21) at 24 feet (flood stage 17 feet) early on May 11, and a second crest of 23.7 feet was expected that same day at Hannibal, MO, (just above L/D 22) where the flood stage is 16 feet. As of Monday, the river level in St. Louis, MO, (L/D 27) was expected to crest at 28.5 feet May 11-13 and near 30 feet at Chester, IL, May 12-14, where the flood stage is 27 feet. The Corps tentatively plans to open L/D 9 and L/D 10 on May 14. The Coast Guard will monitor conditions and will decide at that time whether to allow traffic on that portion of the river.

Farmers, on the other hand, should be concerned with soil quality, following the excess rain and flood waters. According to the Georgia-based Potash and Phosphate Institute, under these conditions, various macronutrients will be lost or become inaccessible to plants. Adrian M. Johnston, the group's western Canada director, said that farmers cannot assume spring applied fertilizer will remain in place, even under stagnant flood waters. "Under saturated soil conditions, losses of soil nitrogen can be substantial," Johnston said. Although phosphorous is not leached, it can be made unavailable to the plant under saturated soil conditions. Such is also the case with potassium. In addition, with wet soils more prone to compaction, plant root growth and uptake of soil potassium will be restricted. Potassium is essential in helping crops to resist plant diseases.

The National Weather Service called for mostly dry conditions most of the week, with severe weather possibly moving into the central United States late this week and early next week. (*La Crosse Tribune* 5/8, *Winona Daily News* 5/8, *U.S. Army Corps of Engineers* <http://www.mvr.usace.army.mil/navdata>, *National Weather Service*, <http://www.crh.noaa.gov>, *Progressive Farmer* 4/24)

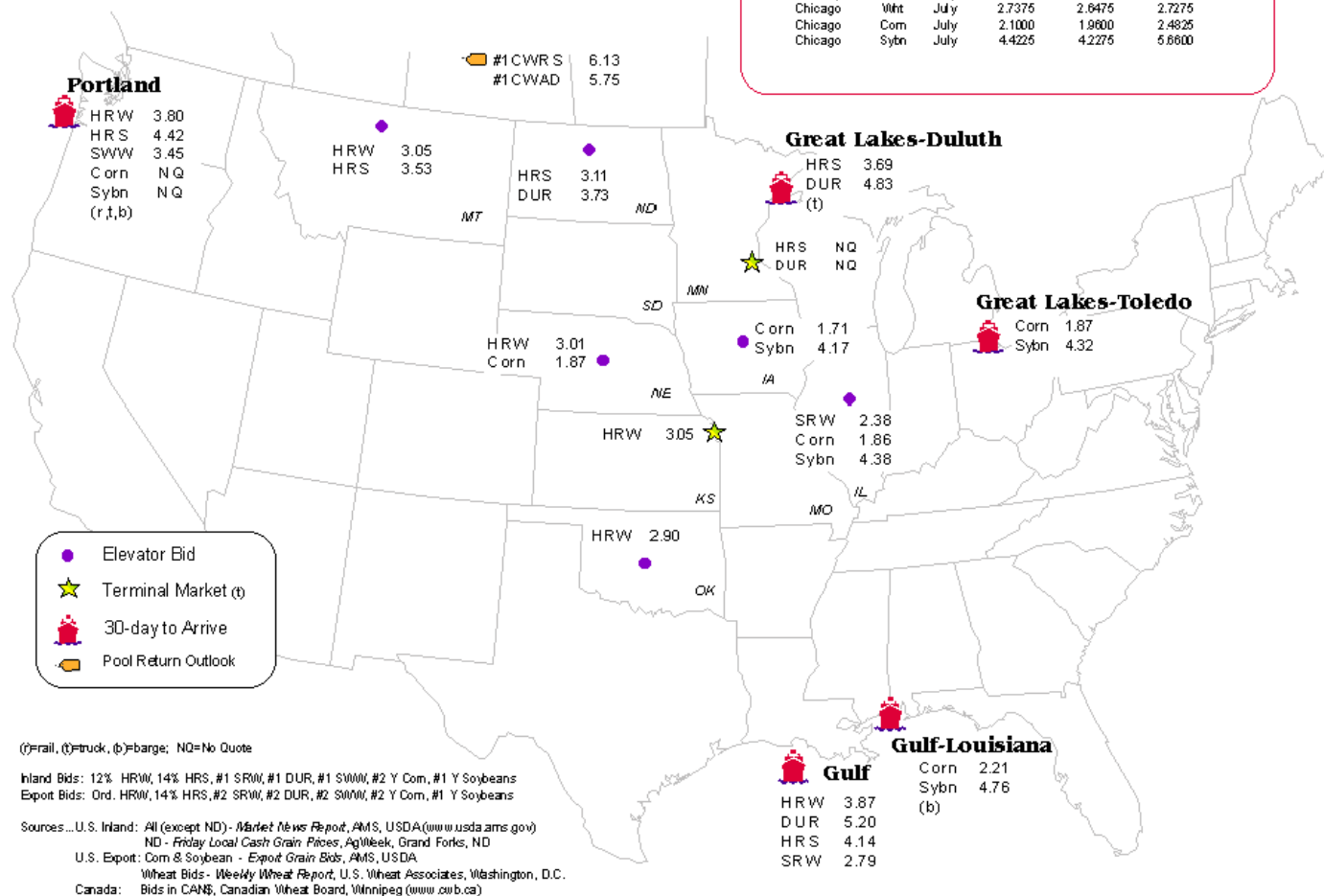
ADM & Farmland Form Grain Marketing Joint Venture. Farmland Industries, Inc., the largest farmer-owned cooperative in North America, has agreed to allow Archer Daniels Midland, Co. (ADM) to operate its 24 owned and leased grain elevators. The new venture, to be called ADM/Farmland Inc., is expected to save Farmland as much as \$10 million a year, while providing ADM with access to grain primarily grown in Nebraska, Kansas, Oklahoma, and Texas, major wheat-producing States. Profits will be shared equally.

"The number one thing it allows us to do is reduce our debt," according to Farmland spokesperson, Sherlyn Manson. Farmland reportedly lost \$29.25 million in fiscal year (FY) 2000, its first annual loss since 1993. The company, however, recently indicated "significant improvement" in financial results through the second quarter of FY 2001. Farmland will also benefit by now having access to markets reached through the Mississippi River, Great Lakes, and Pacific Northwest. Prior to the agreement, the company was limited to its only export facilities, located on the Texas Gulf. "We were getting increasingly uncompetitive in that business," stated Bob Honse, Farmland's president and CEO. Farmland had been buying and selling only 20 percent of its members' grain due partly to this limitation. Honse also referred to the capital-intensive, low-margin nature of the grain business, saying that Farmland could not continue to operate independently under the current economic conditions. For ADM, the deal not only allows it access to grain produced in the U.S. Great Plains region, it also increases its storage capacity, the need for which has been increased by weak export demand and increasing prices for storage during recent years.

Critics claim that the ADM/Farmland agreement will decrease the market opportunity for U.S. producers by reducing the number of potential buyers, the competitive nature of the industry, and possibly grain prices. "This is another form of consolidation, and regardless of what ADM and Farmland say, it's not good for the producer," stated Doug Boisen, chairman of the Nebraska Corn Board. U.S. Senator Byron Dorgan (D-ND) strongly agrees, stating that he does not support additional concentration in grain marketing. "Those who feel strong about this will continue to push," Dorgan said. (Reuters 4/27, AP 4/30, USDA, Farmland Website, <http://www.farmland.com/news/newsrel/grainadm.htm>)

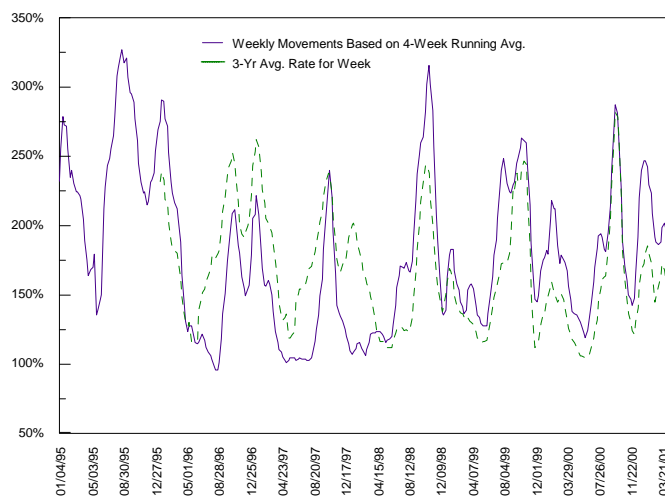
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Grain Bid Summary

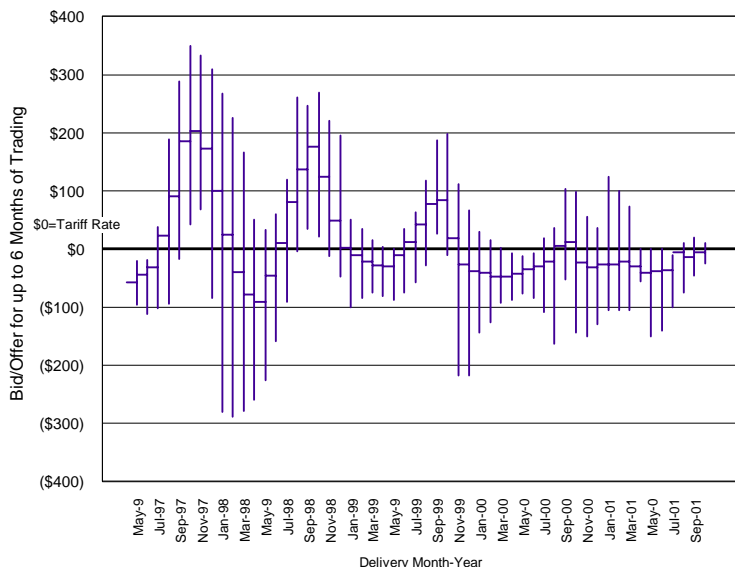


Spot Barge Rate - Illinois River

Index - Percent of Tariff Rate



Secondary Rail Market Bids



Rail Car 'Auction' Offerings

Delivery for:	May-01		Jul-01	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	12,143	6%	12,000	4%
UP-GCAS	5,400	2%	no offer	

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	May-01	Jun-01	Jul-01	Aug-01
BNSF-GF	\$(83)	\$(62)	\$(38)	\$(12)
UP-Pool	\$(128)	\$(110)	\$(84)	\$(54)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jun-01	Jul-01	Aug-01
COT/N. Grain	no bid	no bid	\$0
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no offer	no offer
GCAS/Region 4	no bid	no offer	no offer

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com, (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal/Cash Basis Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

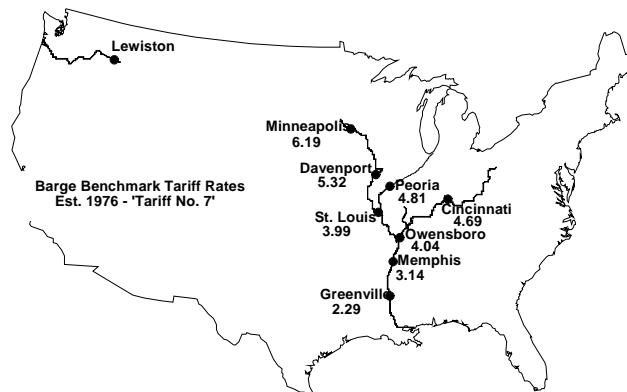
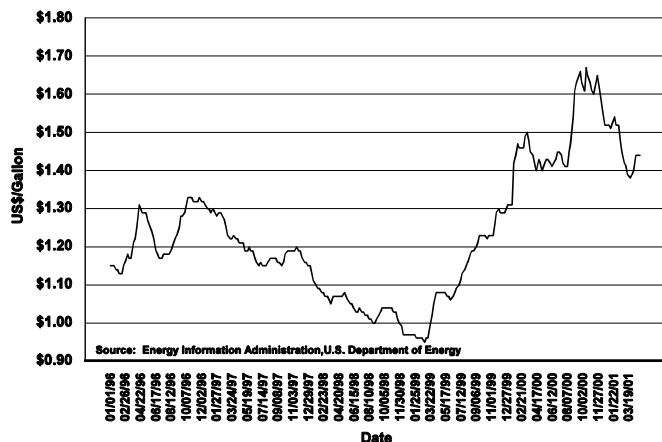
Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
05/08/01	St. Louis	June	131	130
		Aug	156	160
		Oct	218	225
		Dec	141	140
	Illinois River	Feb	138	0
		June	153	155
		Aug	174	185
		Oct	243	248
		Dec	163	170
		Feb	0	0

Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates

	5/2/01	4/25/01	Jun '01	Aug '01
Twin Cities	0	0	192	209
Mid-Mississippi	162	155	164	186
Illinois River	140	145	148	176
St. Louis	110	114	120	155
Lower Ohio	121	128	133	171
Cairo-Memphis	108	113	117	152

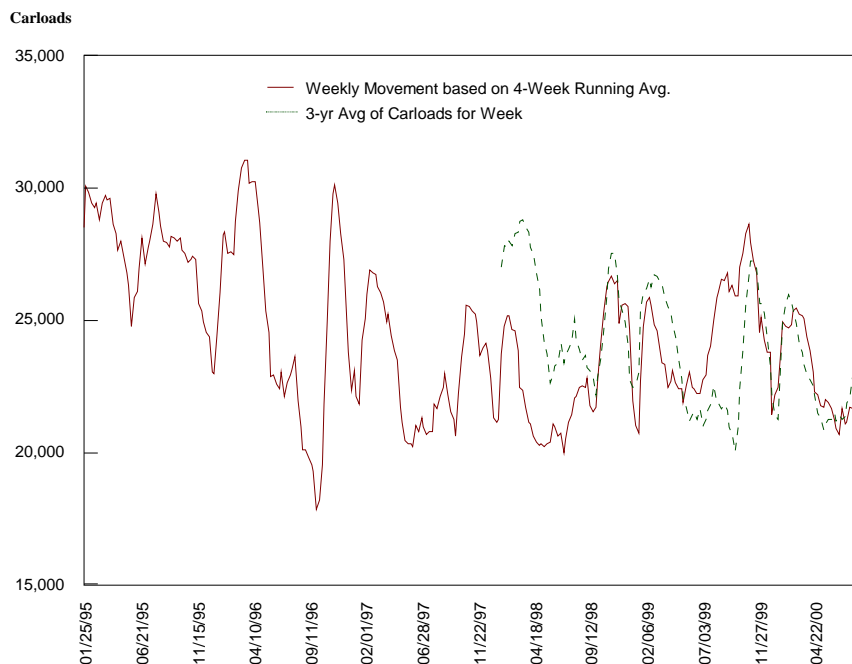
Source: Transportation & Marketing /AMS/USDA
nq=no quote;

Weekly Retail Diesel (Road) Prices (Including Taxes)

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
4/14/01	19,456
4/21/01	21,136
4/28/01	18,217
Year to Date - 2001	377,450
Year to Date - 2000	413,215
Total 2000	1,188,917
Total 1999	1,270,375

Source: Association of American Railroads



Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

Grain Carloads Originated									
			<u>East</u>			<u>West</u>		<u>Canada</u>	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
04/28/01	0	2,575	0	3,218	5,793	331	6,300	5,065	4,000
This Week Last Year	0	2,843	1,675	3,585	6,856	507	7,209	2,249	4,063
2001 YTD	0	54,783	0	53,435	147,212	8,020	114,000	81,754	77,702
2000 YTD	0	48,872	31,135	50,514	140,431	10,267	131,996	48,497	76,386
2000 Total	0	147,708	70,155	153,905	425,849	26,515	364,785	160,749	239,670
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

May 2001

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
05/07/01	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
05/07/01	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
05/07/01	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
05/07/01	43586	Wheat	Kansas City, MO	Portland, OR	\$4,240	\$46.74	\$1.27
05/07/01	43581	Wheat	Omaha, NE	Portland, OR	\$3,905	\$43.04	\$1.17
05/07/01	31040	Corn	Minneapolis, MN	Portland, OR	\$2,900	\$31.97	\$0.81
05/07/01	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
05/07/01	31040	Corn	Omaha, NE	Portland, OR	\$2,700	\$29.76	\$0.76
05/07/01	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,680	\$29.54	\$0.80
05/07/01	61180	Soybean	Omaha, NE	Portland, OR	\$2,430	\$26.79	\$0.73
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

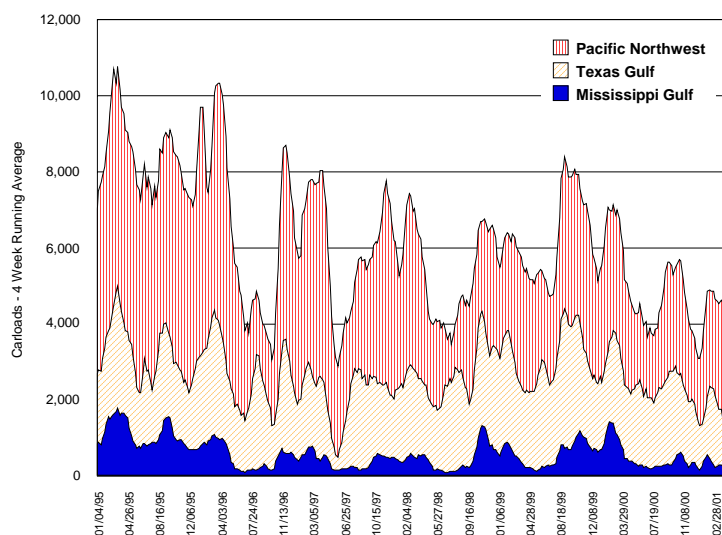
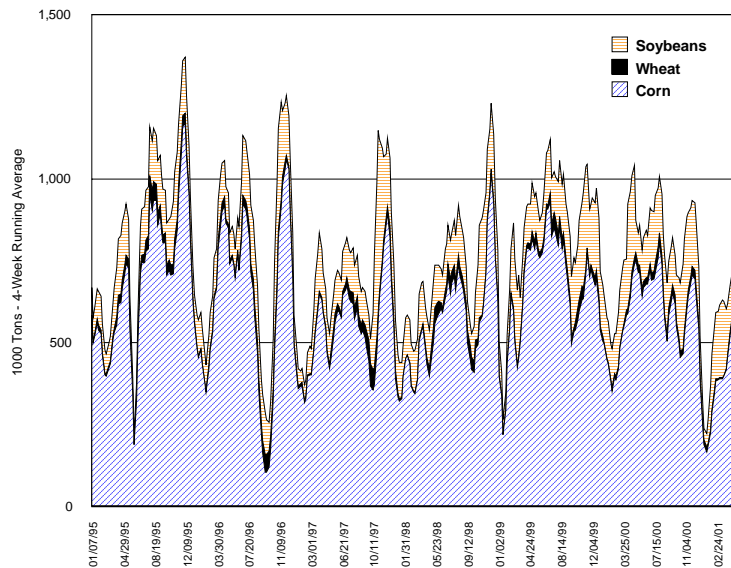
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port**Carloads**

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
03/28/01	192*	1,774	3,538	774
04/04/01	132*	1,227	2,833	407
04/11/01	8*	1,810	2,142	427
04/18/01	34*	2,176	1,736	225
04/25/01	29*	2,286**	1,652	48
05/02/01	109*	1,502*	1,285	28
YTD 2001	4,593*	28,964	43,835	12,688
YTD 2000	15,381	37,369	55,451	6,665
01/05/94	16	85	237	1,394
01/12/94	3	138	221	2,156
01/19/94				

(*) Incomplete Data

(**) Revised Data

Rail Deliveries to Port**Barge Movements - Locks 27****Barge Grain Movements**

for week ending 4/28/01

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	55	0	3	58
Alton, IL (L26)	384	5	37	443
Granite City, IL (L27)	360	15	37	429
Illinois River (L8)	257	5	31	303
Ohio (L52)	56	2	26	102
Arkansas (L1)	0	14	7	22
2001 YTD	8,539	644	3,538	13,499
2000 YTD	9,794	584	3,161	14,189
Total 2000	33,482	2,518	10,327	48,247
Total 1999	36,711	2,883	9,771	51,887

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers; n/a=not available

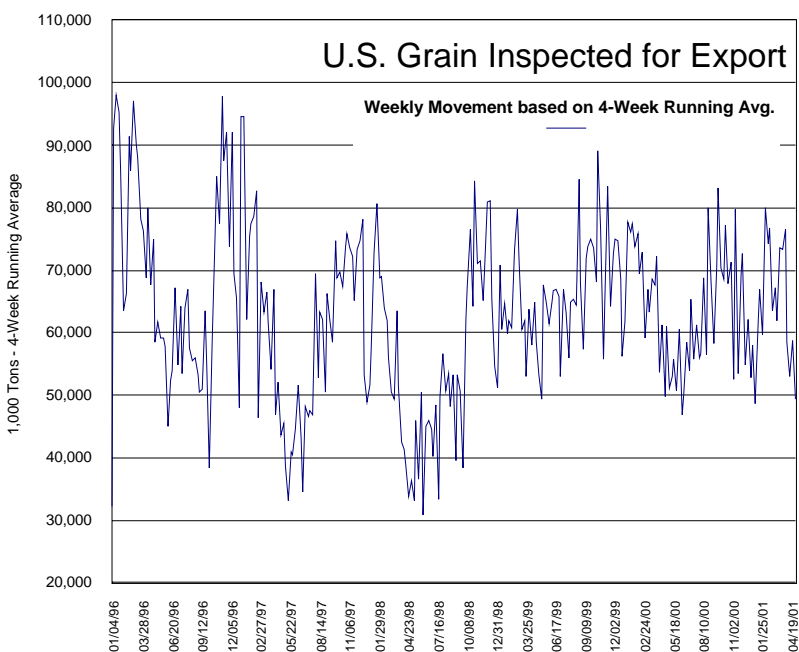
U.S. Export Balances (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
04/26/01	934	579	810	539	157	3,019	5,171	2,229	10,419
This Week Year Ago	844	520	996	654	327	3,341	7,106	2,057	12,504
<u>Cumulative Exports-Crop Year</u>									
00/01 YTD	8,510	4,158	5,208	4,671	1,023	23,570	30,510	23,145	77,225
99/00 YTD	9,849	3,870	5,147	3,506	825	23,198	32,624	17,713	73,535
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
05/03/01	250	61	0	166	634	76	97	0	9
2000 YTD	3,502	1,694	1,173	1,956	10,958	7,038	1,932	164	731
1999 YTD *	3,103	2,852	635	2,142	11,363	7,295	1,974	110	717
% of Last Year	32%	39%	180%	39%	35%	47%	27%	29%	52%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

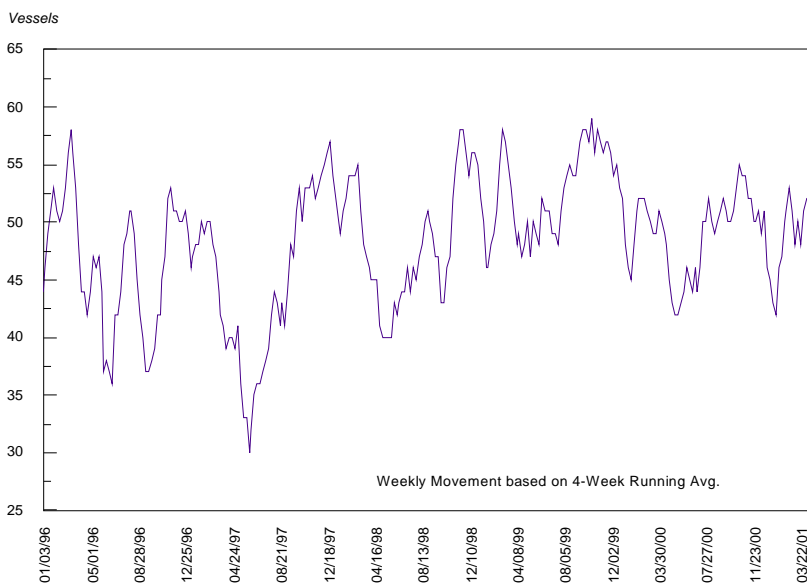
Source: Federal Grain Inspection Service YTD-Year-to-Date

**Select Canadian Ports - Export Inspections**
1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 4/12/01			
Vancouver	4,041	349	936
Prince Rupert	1,502		0
Prairie Direct	896	226	331
Thunder Bay	490	171	36
St. Lawrence	1,827	1,410	25
2000 YTD Exports	8,756	2,156	1,328
1999 YTD Exports	10,154	2,406	1,174
% of Last Year	86%	90%	113%

Source: Canadian Grains Commission

YTD-Year-to-Date Crop Year 8/1-7/31



**Gulf Region
Vessels Loaded
- Past 7 Days-**

Port Region Ocean Grain Vessels

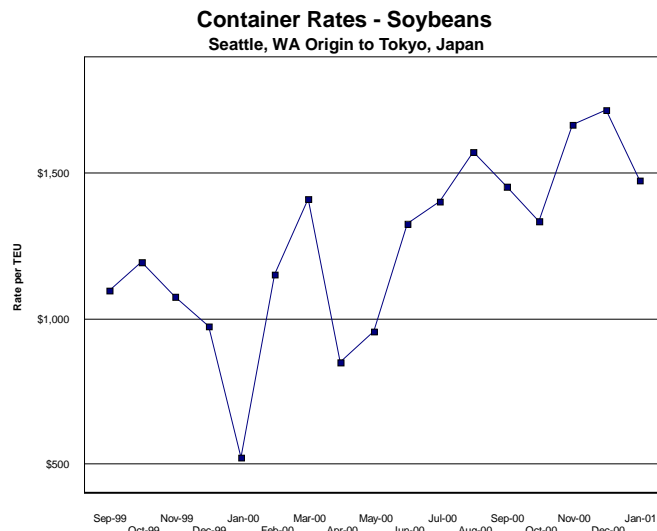
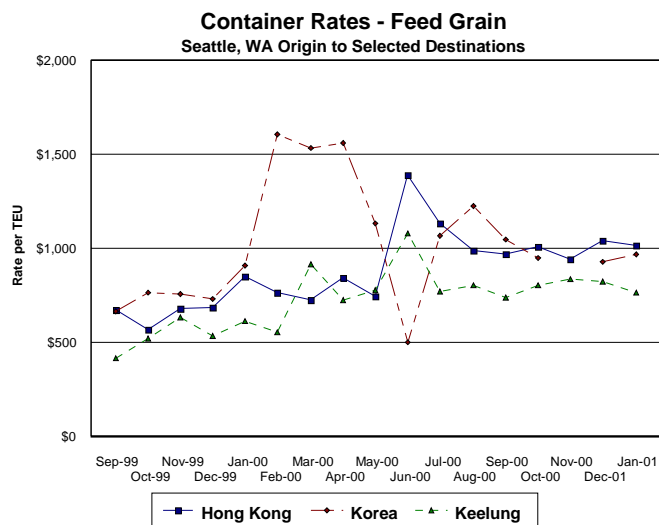
	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
04/26/01	18	40	46	8			16	9	0
05/03/01	25	42	46	8			16	8	3
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

Container Ocean Freight Rates

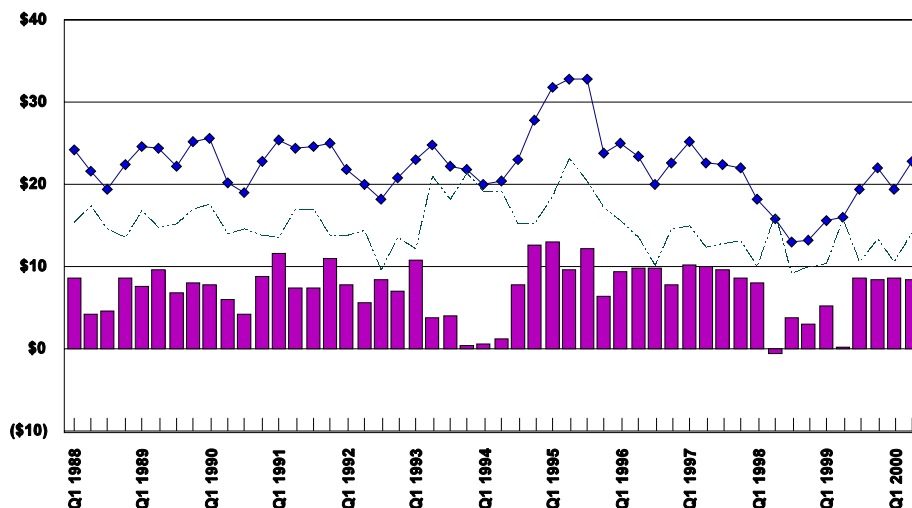
Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share

Source: Transportation & Marketing/AMS/USDA



- ◆ Rate - Gulf to Japan
- Rate - PNW to Japan
- Spread - Gulf vs. PNW to Japan

US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2001 1 st Qtr	2000 1 st Qtr	% Change		2001 1 st Qtr	2000 1 st Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$21.70	\$21.15	3%	Japan	\$16.36	\$19.93	-18%
Mexico		\$14.39		Red Sea/ Arabian Sea		\$21.38	
Venezuela	\$13.53	\$11.29	20%				
N. Europe	\$15.19	\$14.25	7%	Argentina to			
N. Africa	\$26.25	\$18.40	43%	N. Europe	\$16.47	\$17.67	-7%
				Japan	\$30.51	\$27.23	12%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 4/28/01

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Venezuela	Wheat/Corn	Apr.21/27	24,960	\$15.00
Gulf	Panama/Nicaragua	Corn /Meals/Rice	Apr.22/30	35,000	\$19.75
River Plate	Vietnam	Grains	May 10/15	25,000	\$33.50
Germany	Algeria	Wheat	Prompt	25,000	\$15.00

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated;
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